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Dr. V. K. JOHN : Is there any hope that in the near future, the electricity charges will be substantially reduced?

The Hon. Sri V. RAMAIAH : A separate question may be put.

Sri V. V. RAMASWAMI : பெரியாறு திட்டம் மே மாதத்திலாவது பலனளிக்குமா ? அல்லது, ஜூலை மாதம் வரை போகுமா ?

The Hon. Sri V. RAMAIAH : இந்த ஆண்டின் அந்தப் பகுதி மாதங்களில் தான் முடியும்.

Sri MOHAMED RAZA KHAN : Is it not a fact that the Canadian representatives who visited the project have expressed their appreciation of the work in progress?

The Hon. Sri V. RAMAIAH : Not only the Canadians; who-ever visits the project and sees the work will be definitely much impressed and will have high appreciation for the work.

Sri T. PURUSHOTHAM : Will the hon. the Deputy Leader of the Opposition be satisfied with it?

The Hon. Sri V. RAMAIAH : If he goes there—I wish he goes there—he will be satisfied.

Sri A. M. ALLAPICHAI : Is there any proposal to take the Members of the Legislature to that place?

The Hon. Sri V. RAMAIAH : I invite the Members to visit the project and express their appreciation. (Sri V. V. Ramaswami : At their own expense.)

Finance Commission.

* 65 *Q.*—Sri MOHAMED RAZA KHAN : Will the Hon. the Minister for Finance be pleased to state—

(*a*) the proposals and recommendations placed by the State Government before the Finance Commission; and

(*b*) the amount the Madras Government will get for the year 1957–58 and also in future as a result of the recommendations of the Finance Commission?

The Hon. Sri M. BHAKTAVATSALAM (on behalf of the Hon. the Minister for Finance) : (*a*) The proposals and recommendations of the State Government made to the Finance Commission are contained in the Memoranda submitted by this Government to the Finance Commission copies of which are made available in the Legislature Secretariat Library for reference by Members.

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(*b*) The Budget Estimates 1957–58 and the anticipated receipts as a result of the Commission's recommendations from the share of Central Taxes in 1957–58 and 1958–59 compare as follows :—

Budget Estimate 1957–58.	Receipts as now anticipated in 1957–58.	Anticipated receipts for 1958–59.
RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
(1)	(2)	(3)
703	875	905

The additional revenue over and above the Budget Estimate of 1957–58 will be Rs. 172 lakhs for 1957–58 and Rs. 202 lakhs for 1958–59.

SRI K. BALASUBRAMANYA AYYAR : May I request the Hon. Minister, to make copies of the report available to hon. Members so that they may read them? To read them here in the library would mean that we have to come here and at a particular time only. Otherwise, it would not be possible for us to go through the report. 3-20 p.m.

THE HON. SRI M. BHAKTAVATSALAM : I am sorry I cannot give any assurance—the report is a bulky volume—whether we can print it and place it on the table of the House.

SRI MOHAMED RAZA KHAN : May I request the Hon. the Chairman whether he can postpone this question to some other day so that Members can go through the report and put supplementaries next time?

MR. CHAIRMAN : No.

THE HON. SRI M. BHAKTAVATSALAM : If the Hon. Chairman would permit me, I can give some information about these recommendations briefly, for the benefit of the hon. Members.

DR. V. K. JOHN : May I request, Sir, on behalf of the Members that we may have the benefit of the information promised by the Hon. Minister?

MR. CHAIRMAN : The Hon. Minister may furnish the information.

THE HON. SRI M. BHAKTAVATSALAM : *Income-tax.*—Before the award of the Finance Commission, out of the net proceeds of income-tax, 55 per cent was divided among the States. This divisible pool was further divided among the States, 80 per cent on the basis of population and 20 per cent on the basis of collections. The Madras State was on this basis entitled to a share of 7·95 per cent of the divisible pool.

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According to the recommendations of the Finance Commission, the divisible pool has now been increased to 60 per cent. The Finance Commission has also recommended that the States should get out of this, 90 per cent on the basis of population and 10 per cent on the basis of collections. On this basis, the share of the Madras State would be 8·4 per cent of the total divisible pool.

The Budget Estimates 1957–58 and the estimate as fixed, taking into account the above recommendation of the Finance Commission, compare as below :—

	Budget Estimate 1957–58.	Estimate fixed as a result of the award of the Finance Commission.
	RS. LAKHS.	RS. LAKHS.
	(1)	(2)
Share of income-tax ..	511	604

Share of Excise duties.—Before the award of the Finance Commission, the Central Excise Duties on the following three commodities were shared with the States :—

Matches;
Tobacco; and
Vegetable products.

Out of the net proceeds of this, 40 per cent was distributed to the States on the basis of population.

The Finance Commission has recommended that the following commodities may also be added to those on which the Central Excise Duties will be shared :

Sugar;
Tea;
Coffee;
Paper; and
Vegetable non-essential oils.

But only 25 per cent of the total collections is to be shared with the States. The share of Madras in this divisible pool has been determined to be 7·56 per cent.

The Budget Estimates 1957–58 and the estimates as fixed, taking into account the award of the Finance Commission, compare as below :—

	Budget Estimate. 1957–58.	Estimate fixed as a result of the award of the Finance Commission.
	RS. LAKHS.	RS. LAKHS.
	(1)	(2)
Share of Excise duties ..	171	215

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The Finance Commission has also recommended that the additional excise on sugar, tobacco and textiles to be levied in replacement of the general sales tax should be shared with the States on the following basis :—

Each State should get a specific amount as guaranteed proceeds from the yield of the Central Excise, this amount being limited to the actual proceeds from the general sales tax on these commodities during 1956–57. On this basis, this State would get Rs. 285 lakhs as guaranteed proceeds from these three commodities.

The Finance Commission has presumed that the proceeds of the additional excise duty would exceed the total of the guaranteed allotments. The balance remaining over and above this would be shared by the States and this State's share is 7·74 per cent. No credit has, however, been taken for this either in 1957–58 or in 1958–59 as it is problematic whether the extra yield would materialise.

Share of taxes on railway fares.—This is a new tax which was imposed by the Government of India in the Budget presented in May 1957. The Finance Commission has recommended that the receipts from the railway taxes should be divided between the States in the ratio of the route mileages. On this basis, we would get 6·46 per cent of the net proceeds. The Finance Commission estimated that there would be a total revenue of Rs. 96 lakhs in a full year. Actually, the Government of India have now informed us that we may be getting only Rs. 64 lakhs in 1958–59 and Rs. 34 lakhs in the current year.

The following table summarises the receipts before and after the award of the Finance Commission :—

——	*Budget Estimate, 1957–58.*	*Revised Estimate, 1957–58.*	*Net effect in 1957–58.*	*Net effect for a full year.*
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
	(1)	(2)	(3)	(4)
Income-tax	511	604	93	93
Excise duty	171	215	44	44
Taxes on Railway Fares.	..	34	34	64
Estate Duties	21	22	1	1
			172	202

DR. V. K. JOHN : I am deeply indebted to the Hon. Minister for giving us the information. May I suggest that we may have copies of the recommendations of the Commission and the representations made by the Government as the matter is very important?

THE HON. SRI M. BHAKTAVATSALAM : I have already said that all that would depend on the volume of the Report.

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SRI MOHAMED RAZA KHAN : Have the Government of Madras represented to the Central Government that they should be classified as a backward State and that they should get grant-in-aid as is given to the other States in India?

THE HON. SRI M. BHAKTAVATSALAM : Yes, Sir.

SRI T. PURUSHOTHAM : May I suggest that the statement read by the Hon. Minister be typed and circulated to hon. Members?

THE HON. SRI M. BHAKTAVATSALAM : Yes, Sir, that can be done.

SRI MOHAMED RAZA KHAN : What were the factors that made the Government of India come to the conclusion that Madras was a forward State so that it might be deprived of grants-in-aid similar to those given to the neighbouring States?

THE HON. SRI M. BHAKTAVATSALAM : They had certain criteria. Particularly, they took into consideration the income-tax revenues. Our State, I think, stands third in the order of collection of income-tax revenue. They adopted uniform criteria and on that basis, they came to the conclusion that Madras, Bombay and Uttar Pradesh were in the forward stage.

SRI K. BALASUBRAMANYA AYYAR : There has been less evasion of income-tax in this State and therefore it is that the revenue from income-tax has been the highest in this State.

THE HON. SRI M. BHAKTAVATSALAM : I cannot say anything about it. I have no information on that.

SRI MOHAMED RAZA KHAN : Sir, apart from the income-tax revenue obtained from a State, may I know whether the industrial backwardness of the area is taken into consideration for purposes of the grant?

THE HON. SRI M. BHAKTAVATSALAM : Yes, it is only comparative.

SRI A. M. ALLAPICHAI : In determining the backwardness or forwardness of any particular area, is the intellectual capacity of that area taken into account, Sir?

THE HON. SRI R. VENKATARAMAN : Perhaps, it is because of that that we have been classified as forward.

THE HON. SRI M. BHAKTAVATSALAM : I do not think the intellectual capacity is assessed in any definite way and taken into account.

DR. V. K. JOHN : May I know whether the highest rate of taxation was taken into account?

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THE HON. SRI M. BHAKTAVATSALAM : I agree that it is a matter to be taken into account. When this State bears that taxation, that shows its capacity.

SRI MOHAMED RAZA KHAN : May I know whether the reclassification of the State for this purpose could be taken up only after a period of five years or whether the Government of Madras could, in the meanwhile, take this up with the Central Government?

THE HON. SRI M. BHAKTAVATSALAM : I am sorry, Sir, we shall have to wait for the next Commission. But we do hope that we shall progress and will advance rather than go backward.

Medical examination of servers employed in public restaurants.

* 66 Q.—SRI T. PURUSHOTHAM : Will the Hon. the Minister for Revenue be pleased to state—

(*a*) whether any arrangements have been made by the Government for periodical medical examination of servers employed in public restaurants, hotels and coffee houses; and

(*b*) if so, what they are?

THE HON. SRI M. A. MANICKAVELU : (*a*) Yes, Sir.

(*b*) The Government have issued instructions to local authorities to enforce the annual medical examination of all employees of catering establishments as far as possible.

SRI T. PURUSHOTHAM : May I know, Sir, whether such a medical examination is being made before the entertainment of the hotel servers?

THE HON. SRI M. A. MANICKAVELU : Not exactly like that, Sir. In the light of the recommendations of the Committee which was appointed, instructions were issued in 1953 to make a periodical examination. But, as I said, they are not quite effective. Now, there is a proposal to amend some of the rules to make them more effective.

SRI T. PURUSHOTHAM : Are the officers of the Public Health Department empowered by the present Public Health laws to ensure the removal of diseased servers and cooks from such public establishments? 3-30 p.m.

THE HON. SRI M. A. MANICKAVELU : I have said just now that the medical examination and other steps taken are not effective and that, therefore, it is proposed to take more powers. Then only we can immediately exclude an employee from such a place of employment if it is insanitary or if he is affected by any contagious disease. Even the immediate closure of the business in